

**United States Bankruptcy Court
Central District of California
Riverside
Judge Mark Houle, Presiding
Courtroom 301 Calendar**

Tuesday, November 16, 2021

Hearing Room 301

11:00 AM

6:16-18182 Douglas Edward Goodman and Anne Louise Goodman

Chapter 13

#1.00 Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 1869 Holiday Avenue, Upland, CA 91784 (Motion filed 10/22/21)

MOVANT: ARVEST CENTRAL MORTGAGE COMPANY

EH____

[Tele. appr. Kristi Wells, rep. Debtors]

[Tele. appr. Arnold Graff, rep. creditor, Arvest Central Mortgage]

Docket 163

Tentative Ruling:

11/16/2021

Service: Proper
Opposition: Debtors

Movant to apprise the Court of the status of arrears and any adequate protection discussions.

APPEARANCES REQUIRED.

Party Information

Debtor(s):

Douglas Edward Goodman

Represented By
Edward T Weber

Joint Debtor(s):

Anne Louise Goodman

Represented By
Edward T Weber

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CONT... Douglas Edward Goodman and Anne Louise Goodman

Chapter 13

Movant(s):

Arvest Central Mortgage Company

Represented By
Nichole Glowin
Arnold L Graff

Trustee(s):

Rod Danielson (TR)

Pro Se

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Hearing Room 301

11:00 AM

6:17-19894 William Edward Walker and Carla Sue Walker

Chapter 13

#2.00 CONT. Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 78560 Saguaro Rd, La Quinta, California 92253-2410 (Motion filed 4/28/21)

From: 5/25/21,6/22/21, 8/10/21, 10/12/21

MOVANT: MEB LOAN TRUST IV

EH__

Docket 53

***** VACATED *** REASON: CONTINUED TO 1/11/22 BY ORDER
ENTERED 11/12/21**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

William Edward Walker

Represented By
Jenny L Doling

Joint Debtor(s):

Carla Sue Walker

Represented By
Jenny L Doling

Movant(s):

MEB Loan Trust IV

Represented By
Joseph C Delmotte

Trustee(s):

Rod Danielson (TR)

Pro Se

**United States Bankruptcy Court
Central District of California
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Hearing Room 301

11:00 AM

6:20-14617 Michael S. McDonald and Viviana S. McDonald

Chapter 13

#3.00 Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 31448 Royal Oaks Drive, Temecula, California 92591
(Motion filed 10/20/21)

MOVANT: NATIONS DIRECT MORTGAGE, LLC.

EH__

Docket 50

***** VACATED *** REASON: ADEQUATE PROTECTION ORDER
ENTERED 11/9/21**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Michael S. McDonald

Represented By
Joselina L Medrano

Joint Debtor(s):

Viviana S. McDonald

Represented By
Joselina L Medrano

Movant(s):

Nations Direct Mortgage LLC

Represented By
Bonni S Mantovani

Trustee(s):

Rod Danielson (TR)

Pro Se

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Hearing Room 301

11:00 AM

6:21-12237 Charles Edward Nathanie Wright and Malika Unami

Chapter 13

#4.00 CONT. Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 28475 Nautical Point Circle, Menifee, CA 92585 (Motion filed 9/27/21)

From: 10/19/21

MOVANT: M&T BANK

EH____

Docket 35

***** VACATED *** REASON: ADEQUATE PROTECTION ORDER
ENTERED 10/22/21**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Charles Edward Nathanie Wright

Represented By
April E Roberts

Joint Debtor(s):

Malika Unami Wright

Represented By
April E Roberts

Movant(s):

Lakeview Loan Servicing, LLC

Represented By
Nancy L Lee

Trustee(s):

Rod Danielson (TR)

Pro Se

**United States Bankruptcy Court
Central District of California
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11:00 AM

6:21-14150 HOHM Tech, Inc.

Chapter 7

#5.00 Notice of motion and motion for relief from automatic stay with supporting declarations ACTION IN NON-BANKRUPTCY FORUM RE: Christen v. Red Star Vapor, LLC, et al., Superior Court of Arizona, Maricopa County, Case No. CV2017-016180 with Proof of Service.
(Motion filed 10/18/21)

MOVANT: CHRISTEN DALTON

EH__

[Tele. appr. Jeanne Jorgensen, rep. creditor Dalton Christen]

Docket 7

Tentative Ruling:

11/16/2021

Service: Proper

Opposition: None

When considering a motion for relief from the automatic stay to pursue a non-bankruptcy action, the Court considers the *Curtis* factors:

(1) Whether the relief will result in a partial or complete resolution of the issues; (2) the lack of any connection with or interference with the bankruptcy case; (3) whether the foreign proceeding involves the debtor as fiduciary; (4) whether a specialized tribunal has been established to hear the particular cause of action and whether that tribunal has the expertise to hear such cases; (5) whether the debtor's insurance carrier has assumed full financial responsibility for defending the litigation; (6) whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the good or proceeds in

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CONT...

HOHM Tech, Inc.

Chapter 7

question; (7) whether the litigation in another forum would prejudice the interests of other creditors, the creditor's committee and other interested parties; (8) whether the judgment claim arising from the foreign action is subject to equitable subordination; (9) whether movant's success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f); (10) the interests of judicial economy and the expeditious and economical determination of litigation for the parties; (11) whether the foreign proceedings have progressed to the point where the parties are prepared for trial; and (12) the impact of the stay and the "balance of hurt."

In re Roger, 539 B.R. 837, 844-45 (C.D. Cal. 2015). In *Roger*, the Court further stated:

The Ninth Circuit has recognized that the *Curtis* factors are appropriate, nonexclusive, factors to consider in deciding whether to grant relief from the automatic stay to allow pending litigation to continue in another forum. While the *Curtis* factors are widely used to determine the existence of cause, not all of the factors are relevant in every case, nor is a court required to give each factor equal weight. According to the court in *Curtis*, the most important factor in determining whether to grant relief from the automatic stay to permit litigation against the debtor in another forum is the effect of such litigation on the administration of the estate. Even slight interference with the administration may be enough to preclude relief in the absence of a commensurate benefit. That said, some cases involving the automatic stay provision do not mention the *Curtis* factors at all. Nevertheless, although the term "cause" is not defined in the Code, courts in the Ninth Circuit have granted relief from stay under § 362(d)(1) when necessary to permit pending litigation to be concluded in another forum if the non-bankruptcy suit involves multiple parties or is ready for trial.

Id. at 845 (quotations and citations omitted). As is typically the case, "[t]he record does not indicate that *Curtis* factors 3, 4, [] 6, 8, or 9 are at issue in this case, nor do the parties argue to the contrary." *Id.*

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CONT... HOHM Tech, Inc.

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Turning to the remaining of the factors, the Court concludes that the majority of the factors weigh in favor of granting Movant relief from the automatic stay. Specifically, the eleventh factor weighs in favor of granting relief from stay, because the state court litigation has been going on for nearly four years and the trial date is in less than two months. The remainder of the factors weigh in favor of relief from stay being granted because Movant "seeks recovery only from applicable insurance, if any, and waives any deficiency or other claim against the Debtor or property of the Debtor's bankruptcy estate." Because Movant has agreed to waive any deficiency claim against Debtor, the continuation of the state court proceedings will not interfere with the administration of the bankruptcy estate or prejudice any creditors. Furthermore, the Court notes that it deems Debtor's failure to oppose to be consent to the relief requested pursuant to Local Rule 9013-1(h) and 11 U.S.C. § 362(g)(2).

Based on the foregoing, the Court is inclined to GRANT relief from stay pursuant to 11 U.S.C. § 362(d)(1), GRANT the request under ¶ 2, and WAIVE the Rule 4001(a)(3) stay.

APPEARANCES WAIVED. Movant to lodge order within seven days. If oral or written opposition is presented at the hearing, the hearing may be continued.

Party Information

Debtor(s):

HOHM Tech, Inc.

Represented By
Jenny L Doling

Movant(s):

Dalton Christen

Represented By
Jeanne M Jorgensen

Trustee(s):

Lynda T. Bui (TR)

Pro Se

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11:00 AM

6:21-14932 Steve S Deonarine and Jandea Matta Deonarine

Chapter 13

#6.00 Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 3357 Harley Lane, Corona, California 92882 (Motion filed 10/21/21)

MOVANT: SECOND CHANCE HOME LOANS, LLC

EH__

[Tele. appr. Bonni Mantovani, rep. creditor, Second Chance Home Loans]

Docket 25

Tentative Ruling:

11/16/2021

Service: Proper

Opposition: Debtors

The Court, having reviewed the motion, noting that the primary grounds for relief from stay is bad faith because of a previous filing by Jandea Deonarine this year, the Court concludes that this matter is more appropriately resolved in connection with the confirmation hearing, scheduled for November 18, 2021. Therefore, the Court is inclined to CONTINUE the matter to November 18, 2021 at 11:00 a.m.

APPEARANCES REQUIRED.

Party Information

Debtor(s):

Steve S Deonarine

Represented By
Paul Y Lee

Joint Debtor(s):

Jandea Matta Deonarine

Represented By
Paul Y Lee

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CONT... Steve S Deonarine and Jandea Matta Deonarine

Chapter 13

Movant(s):

Second Chance Home Loans, LLC,

Represented By
Bonni S Mantovani

Trustee(s):

Rod Danielson (TR)

Pro Se

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Hearing Room 301

11:00 AM

6:21-15144 Stacy Kathleen Brigham

Chapter 7

#7.00 Notice of motion and motion for relief from the automatic stay with supporting declarations PERSONAL PROPERTY RE: 2018 Kia Optima, VIN: 5XXGU4L33JG187749 (Motion filed 10/20/21)

MOVANT: HYUNDAI CAPITAL AMERICA

EH__

[Tele. appr. Sheryl Ith, rep. creditor, Hyundai Capital America]

Docket 7

Tentative Ruling:

11/16/2021

Service: Proper
Opposition: None

Having reviewed the motion, service being proper, no opposition having been filed and good cause appearing, the Court is inclined to:

- GRANT relief from stay pursuant to § 362(d)(1)
- GRANT waiver of Rule 4001(a)(3) stay
- GRANT request under ¶ 2
- DENY alternative request under ¶ 11 as moot

APPEARANCES WAIVED. Movant to lodge order within seven days. If oral or written opposition is presented at the hearing, the hearing may be continued.

Party Information

Debtor(s):

Stacy Kathleen Brigham

Represented By
Clay E Presley

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CONT... Stacy Kathleen Brigham

Chapter 7

Movant(s):

Hyundai Capital America d/b/a Kia

Represented By
Sheryl K Ith

Trustee(s):

Karl T Anderson (TR)

Pro Se

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Hearing Room 301

11:00 AM

6:21-15160 Daniel George Crehin and Carla Maria Crehin

Chapter 7

#8.00 Notice of motion and motion for relief from the automatic stay with supporting declarations REAL PROPERTY RE: 10660 Quail Springs Road, Murrieta, CA 92562
(Motion filed 10/16/21)

MOVANT: REAL TIME RESOLUTIONS, INC

EH ____

Docket 13

***** VACATED *** REASON: CONTINUED TO 12/7/21 BY ORDER
ENTERED 10/19/21**

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Daniel George Crehin

Represented By
Brian J Soo-Hoo

Joint Debtor(s):

Carla Maria Crehin

Represented By
Brian J Soo-Hoo

Movant(s):

Real Time Resolutions, Inc.

Represented By
Renee M Parker

Trustee(s):

Lynda T. Bui (TR)

Pro Se

**United States Bankruptcy Court
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2:00 PM

6:16-14273 Allied Injury Management, Inc.

Chapter 11

#9.00 CONT. Application for Compensation first and final application for compensation and reimbursement of expenses of Grobstein Teeple, LLP as accountants for Chapter 11 Trustee;Grobstein Teeple LLP, Accountant, Period: 12/12/2016 to 9/9/2021, Fee: \$102,852.00, Expenses: \$119.18.
(Motion filed 10/18/21)

Also #10, 11

From: 11/2/21

EH__

[Tele. appr. Kailey Wright, rep. Grobstein Teeple, accountants for the chapter 11 trustee]

[Tele. appr. Howard B. Grobstein, on behalf of Grobstein Teeple, Accountants for the Chapter 11 Trustee]

Docket 582

Tentative Ruling:

11/16/2021

On May 11, 2016, Allied Injury Management, Inc. ("Debtor") filed a Chapter 11 voluntary petition. On November 30, 2016, the Court entered an order instructing UST to appoint a Chapter 11 trustee. Two days later, David Goodrich ("Trustee") was appointed as Chapter 11 trustee. On January 10, 2017, the Court approved an application to employ Grobstein Teeple LLC ("Accountant") as accountant for Trustee. On February 10, 2017, the Court approved an application to employ Sulmeyer Kupetz ("Counsel") as counsel for Trustee.

On May 14, 2021, the Court approved Debtor's disclosure statement. On August 19, 2021, Debtor's Chapter 11 plan was confirmed.

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CONT... Allied Injury Management, Inc.

Chapter 11

On September 7, 2021, Counsel filed a notice to professionals to file and serve applications for compensation. On October 1, 2021, Trustee filed an application for compensation seeking an aggregate \$103,811.56 in fees and expenses. On October 8, 2021, Counsel filed an application for compensation seeking \$711,964.59 in fees and costs. Later on October 8, 2021, Accountant filed an application for compensation seeking an aggregate \$102,971.18 in fees and costs.

On October 22, 2021, the Court approved a stipulation between UST and the applicants continuing the hearings for two weeks. On November 2, 2021, UST filed a stipulation with Counsel provided for an agreed reduction of \$2,290.50, or approximately 0.32% of the amount billed.

A. Trustee's Application

Trustee's application for compensation is governed by the statutory commission set forth in 11 U.S.C. § 326(a). While the Court has no concerns regarding the amount of the compensation requested, the Court notes that the skeletal application lacks an evidentiary basis for the request. Specifically, the Court notes that the only evidence in support of the application is Trustee's declaration. That declaration is entirely devoid of any evidence which would allow the Court to apply the statutory calculation or to assess the reasonableness of the fees requested. Less critically, the Court notes that the application does not satisfy a variety of the requirements for a fee application outlined in Local Rule 2016.

B. Professionals' Applications

11 U.S.C. § 330(a)(1)-(6) provides:

(a)(1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a trustee, a consumer privacy ombudsman appointed under section 332, an examiner, an ombudsman appointed under section 333, or a professional person employed under section 327 or 1103 –

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person;

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CONT...

Allied Injury Management, Inc.

Chapter 11

and

(B) reimbursement for actual, necessary expenses.

(2) The court may, on its own motion or on the motion of the United States Trustee, the United States Trustee for the District or Region, the trustee for the estate, or any other party in interest, award compensation that is less than the amount of compensation that is requested.

(3) In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

(4)(A) Except as provided in subparagraph (B), the court shall not allow compensation for –

(i) unnecessary duplication of services; or

(ii) services that were not –

(I) reasonably likely to benefit the debtor's estate; or

(II) necessary to the administration of the case. . . .

(5) The court shall reduce the amount of compensation awarded under this section by the amount of any interim compensation awarded under section 331, and, if the amount of such interim compensation exceeds the amount of compensation awarded under this section, may order the return of the excess to the estate.

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(6) Any compensation awarded for the preparation of a fee application shall be based on the level and skill reasonably required to prepare the application.

"It is well-established that bankruptcy courts have a duty to independently evaluate the propriety of the compensation requested under § 330." *In re Tahah*, 330 B.R. 777, 780-81 (B.A.P. 10th Cir. 2005); *see also In re Auto Parts Club, Inc.*, 211 B.R. 29, 33 (B.A.P. 9th Cir. 1997) ("The bankruptcy court has a duty to review fee applications notwithstanding the absence of objections by the trustee, debtor, or creditors."); *In re Crown Orthodontic Dental Group*, 159 B.R. 307, 309 (Bankr. C.D. Cal. 1993) ("This court has an obligation to ensure that all fees that it approves are reasonable, justifiable, and equitable to all parties concerned."). "A professional who applies for compensation in a bankruptcy case bears the burden of proving the reasonableness of the fees." *In re Fibermark, Inc.*, 349 B.R. 385, 395 (Bankr. D. Vt. 2006); *see also In re Crown Orthodontic Dental Group*, 159 B.R. at 309 ("The burden of proof to show entitlement to the fees requested is on the applicant."); *In re Nakhuda*, 544 B.R. 886, 902 (B.A.P. 9th Cir. 2016) ("The burden is upon the applicant to demonstrate that the fees are reasonable."). The bankruptcy court in *Fibermark* explained this burden as follows:

In order to be compensated from the estate, the professional must demonstrate – not just recite – that the fees sought are reasonable, necessary, and of the benefit to the estate and that the expenses sought to be reimbursed are actual and necessary and that no other reasonable, less expensive alternatives were available. In order to sustain this burden, the applicant must present a carefully detailed application and supporting documentation. *S.T.N.*, 70 B.R. at 832. To be compensated from a bankruptcy estate, the applicant must "conscientiously set forth the hours expended on each task and the nature of the services rendered at a level of specificity that would allow [the Court] to evaluate the application." *Id.* Hence, an application for fees must clearly identify each discrete task billed to the estate, indicating the date the task was performed, the precise amount of time spent, by whom the task was performed and that person's hourly rate. *Id.* In order for the Court to ascertain whether the actual time spent is reasonable, at the very least, each application must include a

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specific analysis of each task for which compensation is sought and the time records must be scrupulously accurate, not to be billed in increments greater than one-tenth of an hour. *Id.* When different services or tasks are lumped together, the Court cannot determine whether the time allotted for each is reasonable. Consequently, this Court will summarily disallow time for discrete legal services merged together in the application for fees. *Id.* The application must clearly identify the person performing each activity and the person's position, whether senior partner, junior partner, associate, law clerk, paralegal or other staff. Information about each person's experience, particularly in bankruptcy cases, is a critical factor in determining whether the customary hourly rate is reasonable. *Id.* at 833.

349 B.R. at 395.

Here, the Court has reviewed the application of Counsel, as modified by the stipulation with UST, and finds the fees requested to be generally reasonable. The Court notes that the application for employment, filed on January 20, 2017, requested that employment be effective December 20, 2021. As a result, the Court is inclined to disallow the fees of \$607.50 incurred prior to employment becoming effecting, and otherwise approve the fee application.

Regarding Accountant's application for compensation, the Court has significant concerns with the time billed given the services provided. The bulk of the billing in the case is categorized as "accounting services" and those services are further subdivided into three categories in the application: (1) monthly operating reports; (2) collection analysis; and (3) preference analysis. Between these three categories, Accountant billed 404.4 hours totaling \$90,463.50.

Because the vast majority of the work related to collections and preference actions was done out-of-court, with limited Court involvement, it is difficult for the Court to ascertain the reasonableness of the relatively vague billing entries. A few examples of this are listed below:

- 1) Kevin Meacham billed 14.5 hours between March 1 and March 6, 2017, for analysis of transactions;

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CONT... Allied Injury Management, Inc. Chapter 11

- 2) Steven Godoy billed 12.2 hours between July 31 and August 9, 2017, primarily for reconciliation of payments to reconstructed schedules of invoices;
- 3) Steven Roopenian billed 17.8 hours between August 15 and August 23, 2017, for preparation of collections analysis
- 4) Regarding 2016 tax returns, Lindsay Lopez billed 2-6.7 (billing entries unclear) hours for the preparation of the return, then Eddie Shamas billed 2.6 hours to review it, then Lindsay Lopez billed 2.4 hours for further preparation, then Kennity Boffill billed 3.6 hours to review it.

Ultimately, the application is lacking in the required detailed that would permit to assess the reasonableness of billing 452.2 hours for accounting services in this case. Neither the billing entries nor the application enable the Court to even acquire a basic understanding of the extent of the services performed, or whether those services were reasonable and necessary.

The Court is inclined to CONTINUE the hearings for supplemental information to be filed by Trustee and Accountant.

APPEARANCES REQUIRED.

Party Information

Debtor(s):

Allied Injury Management, Inc.

Represented By
Alan W Forsley

Trustee(s):

David M Goodrich (TR)

Represented By
Mark S Horoupian
Jason Balitzer
Victor A Sahn
Steven Werth

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6:16-14273 Allied Injury Management, Inc.

Chapter 11

#10.00 CONT. Application for Compensation Final Application of SulmeyerKupetz, a Professional Corporation, as Counsel to Chapter 11 Trustee, for Allowance and Payment of Fees and Expenses; Declarations of Mark S. Horoupian and David M. Goodrich in Support Thereof for SulmeyerKupetz, A Professional Corporation General Counsel, Period: 12/20/2016 to 9/9/2021, Fee: \$696,835.00, Expenses: \$15,129.59
(Motion filed 10/8/21)

Also #9, 11

From: 11/2/21

[Tele. appr. Everett Green, rep. U.S. Trustee]

Docket 578

Tentative Ruling:

11/16/2021

On May 11, 2016, Allied Injury Management, Inc. ("Debtor") filed a Chapter 11 voluntary petition. On November 30, 2016, the Court entered an order instructing UST to appoint a Chapter 11 trustee. Two days later, David Goodrich ("Trustee") was appointed as Chapter 11 trustee. On January 10, 2017, the Court approved an application to employ Grobstein Teeple LLC ("Accountant") as accountant for Trustee. On February 10, 2017, the Court approved an application to employ Sulmeyer Kupetz ("Counsel") as counsel for Trustee.

On May 14, 2021, the Court approved Debtor's disclosure statement. On August 19, 2021, Debtor's Chapter 11 plan was confirmed.

On September 7, 2021, Counsel filed a notice to professionals to file and serve applications for compensation. On October 1, 2021, Trustee filed an application for compensation seeking an aggregate \$103,811.56 in fees and expenses. On October 8, 2021, Counsel filed an application for compensation seeking \$711,964.59 in fees and costs. Later on October 8, 2021, Accountant filed an application for compensation

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seeking an aggregate \$102,971.18 in fees and costs.

On October 22, 2021, the Court approved a stipulation between UST and the applicants continuing the hearings for two weeks. On November 2, 2021, UST filed a stipulation with Counsel provided for an agreed reduction of \$2,290.50, or approximately 0.32% of the amount billed.

A. Trustee's Application

Trustee's application for compensation is governed by the statutory commission set forth in 11 U.S.C. § 326(a). While the Court has no concerns regarding the amount of the compensation requested, the Court notes that the skeletal application lacks an evidentiary basis for the request. Specifically, the Court notes that the only evidence in support of the application is Trustee's declaration. That declaration is entirely devoid of any evidence which would allow the Court to apply the statutory calculation or to assess the reasonableness of the fees requested. Less critically, the Court notes that the application does not satisfy a variety of the requirements for a fee application outlined in Local Rule 2016.

B. Professionals' Applications

11 U.S.C. § 330(a)(1)-(6) provides:

(a)(1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a trustee, a consumer privacy ombudsman appointed under section 332, an examiner, an ombudsman appointed under section 333, or a professional person employed under section 327 or 1103 –

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

(2) The court may, on its own motion or on the motion of the United States Trustee, the United States Trustee for the District or Region, the trustee for the estate, or any other party in interest, award compensation

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that is less than the amount of compensation that is requested.

(3) In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

(4)(A) Except as provided in subparagraph (B), the court shall not allow compensation for –

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 - (I) reasonably likely to benefit the debtor's estate; or
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(5) The court shall reduce the amount of compensation awarded under this section by the amount of any interim compensation awarded under section 331, and, if the amount of such interim compensation exceeds the amount of compensation awarded under this section, may order the return of the excess to the estate.

(6) Any compensation awarded for the preparation of a fee application shall be based on the level and skill reasonably required to prepare the application.

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Central District of California
Riverside
Judge Mark Houle, Presiding
Courtroom 301 Calendar**

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CONT... Allied Injury Management, Inc.

Chapter 11

"It is well-established that bankruptcy courts have a duty to independently evaluate the propriety of the compensation requested under § 330." *In re Tahah*, 330 B.R. 777, 780-81 (B.A.P. 10th Cir. 2005); *see also In re Auto Parts Club, Inc.*, 211 B.R. 29, 33 (B.A.P. 9th Cir. 1997) ("The bankruptcy court has a duty to review fee applications notwithstanding the absence of objections by the trustee, debtor, or creditors."); *In re Crown Orthodontic Dental Group*, 159 B.R. 307, 309 (Bankr. C.D. Cal. 1993) ("This court has an obligation to ensure that all fees that it approves are reasonable, justifiable, and equitable to all parties concerned."). "A professional who applies for compensation in a bankruptcy case bears the burden of proving the reasonableness of the fees." *In re Fibermark, Inc.*, 349 B.R. 385, 395 (Bankr. D. Vt. 2006); *see also In re Crown Orthodontic Dental Group*, 159 B.R. at 309 ("The burden of proof to show entitlement to the fees requested is on the applicant."); *In re Nakhuda*, 544 B.R. 886, 902 (B.A.P. 9th Cir. 2016) ("The burden is upon the applicant to demonstrate that the fees are reasonable."). The bankruptcy court in *Fibermark* explained this burden as follows:

In order to be compensated from the estate, the professional must demonstrate – not just recite – that the fees sought are reasonable, necessary, and of the benefit to the estate and that the expenses sought to be reimbursed are actual and necessary and that no other reasonable, less expensive alternatives were available. In order to sustain this burden, the applicant must present a carefully detailed application and supporting documentation. *S.T.N.*, 70 B.R. at 832. To be compensated from a bankruptcy estate, the applicant must "conscientiously set forth the hours expended on each task and the nature of the services rendered at a level of specificity that would allow [the Court] to evaluate the application." *Id.* Hence, an application for fees must clearly identify each discrete task billed to the estate, indicating the date the task was performed, the precise amount of time spent, by whom the task was performed and that person's hourly rate. *Id.* In order for the Court to ascertain whether the actual time spent is reasonable, at the very least, each application must include a specific analysis of each task for which compensation is sought and the time records must be scrupulously accurate, not to be billed in increments greater than one-tenth of an hour. *Id.* When different services or tasks are lumped together, the Court cannot determine whether the time allotted for each is reasonable. Consequently, this Court will summarily disallow

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CONT...

Allied Injury Management, Inc.

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349 B.R. at 395.

Here, the Court has reviewed the application of Counsel, as modified by the stipulation with UST, and finds the fees requested to be generally reasonable. The Court notes that the application for employment, filed on January 20, 2017, requested that employment be effective December 20, 2021. As a result, the Court is inclined to disallow the fees of \$607.50 incurred prior to employment becoming effecting, and otherwise approve the fee application.

Regarding Accountant's application for compensation, the Court has significant concerns with the time billed given the services provided. The bulk of the billing in the case is categorized as "accounting services" and those services are further subdivided into three categories in the application: (1) monthly operating reports; (2) collection analysis; and (3) preference analysis. Between these three categories, Accountant billed 404.4 hours totaling \$90,463.50.

Because the vast majority of the work related to collections and preference actions was done out-of-court, with limited Court involvement, it is difficult for the Court to ascertain the reasonableness of the relatively vague billing entries. A few examples of this are listed below:

- 1) Kevin Meacham billed 14.5 hours between March 1 and March 6, 2017, for analysis of transactions;
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The Court is inclined to CONTINUE the hearings for supplemental information to be filed by Trustee and Accountant.

APPEARANCES REQUIRED.

Party Information

Debtor(s):

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Represented By
Alan W Forsley

Trustee(s):

David M Goodrich (TR)

Represented By
Mark S Horoupian
Jason Balitzer
Victor A Sahn
Steven Werth

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6:16-14273 Allied Injury Management, Inc.

Chapter 11

#11.00 CONT. Application for Allowance and Payment of Fees and Reimbursement of Expenses of the Former Chapter 11 Trustee; Declaration of David M. Goodrich in Support with proof of service for David M Goodrich (TR), Trustee Chapter 9/11, Period: 12/5/2016 to 9/17/2021, Fee: \$79,907.59, Expenses: \$23,903.97 (Motion filed 10/1/21)

From: 11/2/21

Also #9, 10

EH__

[Tele. appr. Mark Horoupian, attorney for former chapter 11 trustee]

Docket 576

Tentative Ruling:

11/16/2021

On May 11, 2016, Allied Injury Management, Inc. ("Debtor") filed a Chapter 11 voluntary petition. On November 30, 2016, the Court entered an order instructing UST to appoint a Chapter 11 trustee. Two days later, David Goodrich ("Trustee") was appointed as Chapter 11 trustee. On January 10, 2017, the Court approved an application to employ Grobstein Teeple LLC ("Accountant") as accountant for Trustee. On February 10, 2017, the Court approved an application to employ Sulmeyer Kupetz ("Counsel") as counsel for Trustee.

On May 14, 2021, the Court approved Debtor's disclosure statement. On August 19, 2021, Debtor's Chapter 11 plan was confirmed.

On September 7, 2021, Counsel filed a notice to professionals to file and serve applications for compensation. On October 1, 2021, Trustee filed an application for compensation seeking an aggregate \$103,811.56 in fees and expenses. On October 8, 2021, Counsel filed an application for compensation seeking \$711,964.59 in fees and costs. Later on October 8, 2021, Accountant filed an application for compensation

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seeking an aggregate \$102,971.18 in fees and costs.

On October 22, 2021, the Court approved a stipulation between UST and the applicants continuing the hearings for two weeks. On November 2, 2021, UST filed a stipulation with Counsel provided for an agreed reduction of \$2,290.50, or approximately 0.32% of the amount billed.

A. Trustee's Application

Trustee's application for compensation is governed by the statutory commission set forth in 11 U.S.C. § 326(a). While the Court has no concerns regarding the amount of the compensation requested, the Court notes that the skeletal application lacks an evidentiary basis for the request. Specifically, the Court notes that the only evidence in support of the application is Trustee's declaration. That declaration is entirely devoid of any evidence which would allow the Court to apply the statutory calculation or to assess the reasonableness of the fees requested. Less critically, the Court notes that the application does not satisfy a variety of the requirements for a fee application outlined in Local Rule 2016.

B. Professionals' Applications

11 U.S.C. § 330(a)(1)-(6) provides:

(a)(1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a trustee, a consumer privacy ombudsman appointed under section 332, an examiner, an ombudsman appointed under section 333, or a professional person employed under section 327 or 1103 –

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

(2) The court may, on its own motion or on the motion of the United States Trustee, the United States Trustee for the District or Region, the trustee for the estate, or any other party in interest, award compensation

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Allied Injury Management, Inc.

Chapter 11

that is less than the amount of compensation that is requested.

(3) In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
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CONT... Allied Injury Management, Inc.

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Allied Injury Management, Inc.

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6:20-17826 Raman Enterprises LLC, a Nevada corporation

Chapter 11

#12.00 CONT. Order (1) Setting Scheduling Hearing and Case Management Conference
And (2) Requiring Status Report

From: 1/5/21, 4/6/21,4/20/21,5/25/21,6/22/21,7/6/21,8/10/21, 8/31/21

EH__

**[Tele. appr. Dawn Coulson rep. Arvind Doshi and Chandrika Doshi,
Trustees of the Doshi Family Trust, dated 7/24/2006]**

Docket 6

Tentative Ruling:

- NONE LISTED -

Party Information

Debtor(s):

Raman Enterprises LLC, a Nevada

Represented By
Donald W Reid